Corporate Waste Management Policy—Disposition and Reclamation of Inventory and Fixed Assets—ITAR-Controlled Products

DOCUMENT IDENTIFIER: A-DG-ELCP758-05-0000 Rev A, 28-Oct-1992

ABSTRACT: This document establishes a policy that provides guidelines for the disposition and reclamation of inventory and fixed assets that have been identified as controlled by the International Traffic in Arms Regulations (ITAR).

APPLICABILITY: This policy applies worldwide to all Digital personnel involved in the disposition and reclamation of inventory and fixed assets.

STATUS: APPROVED 28-Oct-1992; use VTX SMC for current status.

This document is confidential and proprietary, and is the property of Digital Equipment Corporation. This is an unpublished work protected under applicable copyright laws.

© Digital Equipment Corporation 1992. All rights reserved.

Corporate Waste Management Policy—Disposition and Reclamation of Inventory and Fixed Assets—ITAR-Controlled Products

DOCUMENT IDENTIFIER: A-DG-ELCP758-05-0000 Rev A, 28-Oct-1992

REVISION HISTORY:	No previous revision exists.
Document Management Category:	Corporate Policies (TCP)
Responsible Department:	Waste Management
Responsible Person:	Ron Caudell
SMC Writer:	C.J. Keating

APPROVAL: This document has been reviewed and approved by the Manager of the Waste Management group.

Ron Caudell - Waste Management

Direct requests for further information to:

Ron Caudell
Use $ VTX ELF for the latest location information.

Use VTX SMC to order copies of this document from Standards and Methods Control. Send distribution questions to JOKUR::SMC or call DTN: 234-4423.

The DIGITAL logo is a trademark of Digital Equipment Corporation.

CONTENTS

1 OBJECTIVE 1

2 SCOPE 1

3 POLICY 1

4 PROCEDURES 1
4.1 DISPOSITION 1
4.2 TRANSPORTATION 1
4.3 STORAGE 2
4.4 DISASSEMBLY AND DESTRUCTION 2
4.5 SALES 2

5 RESPONSIBILITIES 2

Appendix A RELATED DOCUMENTS 5

A.1 Digital Documents, EL-Class 5

A.2 Digital Documents, Other Than EL-Class 5

A.3 Ordering Information 5

GLOSSARY 7

1 OBJECTIVE

This document establishes a policy to support the disposition and reclamation of inventory and fixed assets that have been identified as controlled by the International Traffic in Arms Regulations (ITAR).

2 SCOPE

This document, when not in conflict with country, state, or local laws, applies to all Digital personnel worldwide.

3 POLICY

Digital recognizes that its business practices and relationships are directly and indirectly affected by ITAR. With this recognition comes the responsibility of ensuring that Digital personnel comply with these regulations and that the appropriate screening points and controls are integrated into daily business practices.

Each organization is responsible for developing procedures that will support this policy in their respective geographies or businesses. The respective management shall ensure that the procedures developed include export compliance in the focus for disposition of inventory and fixed assets, and that the procedures adhere to this policy. Exceptions to this policy require the written approval of the Country Export Administration.

4 PROCEDURES

The cost center manager will determine what property is no longer needed by that cost center. The cost center manager will ensure that ITAR-controlled products are flagged as such when shipped to the Property Disposition Center (PDC), similar function internationally (SFI), or qualified disposal company. A list of ITAR-controlled products is available through the Area Export Administrator.

4.1 DISPOSITION

Scrap that is ITAR controlled may be disposed of only by being sent to a PDC, SFI, or qualified disposal company. Scrap ITAR construction materials must also be destroyed.

4.2 TRANSPORTATION

All ITAR products to be disposed of as scrap will be shipped in sealed containers that are sealed in such a manner as to indicate any attempts at pilferage.

All ITAR products intended for disposal and shipped to a PDC, SFI, or qualified disposal company but not received must be identified by the shipping location. The PDC, SFI, or qualified disposal company must take action to investigate and fully document the incident. In the event reconciliation is not possible, they must notify Digital Security and Area Export.

4.3 STORAGE

Scrap ITAR products held, awaiting disposition, will be stored in a secure location to prohibit unauthorized access.

4.4 DISASSEMBLY AND DESTRUCTION

All ITAR products within the disposition process will be properly secured throughout the entire cycle, from receipt through final disposal and reclamation.

The destruction of ITAR-controlled products by a qualified disposal company must be witnessed by a Digital representative.

Documentation of the destruction of ITAR products is required, and the following information should be recorded.

- Serial number of equipment
- Part number
- Description of equipment
- Date and location of destruction

Copies of this information should be distributed to:

— Country Export Administration

— Company Appointed TEMPEST Authority, in care of the Government Assistance Group

4.5 SALES

Direct local sales of scrap inventory and fixed assets to qualified companies is NOT PERMITTED FOR ITAR-CONTROLLED PRODUCTS.

5 RESPONSIBILITIES

- Corporate Waste Management

  Establish a uniform global Corporate policy to manage the final disposition of ITAR-controlled inventory and fixed assets.

- Area Export

  Develop guidelines and provide for revisions to this policy to ensure the continued compliance to ITAR.

  Maintain a listing of ITAR-controlled products.

- Corporate Security

  Monitor implementation of this policy by appropriate security organizations within Digital.

- Organizational, Line, Cluster Security Managers, and Security Coordinators

  Establish procedures assuring that ITAR-controlled products are disposed of in a manner consistent with this policy.

- The PDC, SFI, or qualified disposal company

  Manage the effective disposition of ITAR inventory and fixed assets according to Corporate policies and procedures.

- Cost Center Managers

  Determine what ITAR-controlled assets (inventory and fixed assets) of the cost center are to be disposed of. If there are any questions as to whether a product is ITAR controlled, contact Country Export.

  Ensure that these assets are properly disposed of according to Corporate policy and procedures.

- Local Shipping Departments or Equivalent Departments

  Arrange to transport ITAR-controlled inventory and fixed assets to the PDC, SFI, or qualified disposal company.

  Ensure that appropriate documentation accompanies the material being shipped for disposal.

  Ensure that the material is packaged and transported in a secure manner.

APPENDIX A RELATED DOCUMENTS

A.1 Digital Documents, EL-Class

Document Number	Document Title
EL-CP758-02	*Corporate Waste Management Policy—Disposition and Reclamation of Inventory and Fixed Assets*

A.2 Digital Documents, Other Than EL-Class

Document Number	Document Title
301-18	*Corporate Accounting and Reporting Manual (Disposition of Excess, Obsolete, and Scrap Inventory)*
304-03	*Corporate Accounting and Reporting Manual (Physical Inventory of Property, Plant, and Equipment)*
304-04	*Corporate Accounting and Reporting Manual (Disposition of Property, Plant, and Equipment)*
	Corporate Export Reference Manual (Export Policy #18 and Respective Area Procedures)
	Corporate Export Reference Manual (International Traffic in Arms Regulations)

A.3 Ordering Information

Use VTX SMC to order copies of EL-class Digital documents from Standards and Methods Control. Send distribution questions to JOKUR::SMC or call DTN: 234-4423.

Following are the sources for documents not available from Standards and Methods Control. Copies may also be available from your local Digital library.

The *Corporate Accounting and Reporting Manual* is available on VTX. Type VTX CORPFIN.

The *Corporate Export Reference Manual* is available on VTX. Type VTX ERM.

GLOSSARY

high value material: Parts or material with any one of the following attributes.

- High or critical technology used either in manufacturing or in the parts or materials (whether hardware or software)
- High demand in the secondary market

International Traffic in Arms Regulations (ITAR): The regulations governing the manufacture and export of products that are built to military specifications or that are specifically designed for military applications. These regulations are administered and enforced by the Department of State's Office of Defense Trade Controls.

ITAR-Controlled Products: Product or product-related documentation that is under the jurisdiction of ITAR. Examples include, but are not limited to:

- TEMPEST products, components or raw materials
- Ruggedized (to mil specs) products, components or raw materials
- DESNC products, components or raw materials
- Cryptographic chips or boards, components or raw materials

obsolete fixed assets: Nonproductive fixed assets that cannot be transferred to another cost center, traded in, or sold.

obsolete inventory: Usable inventory with no Corporate-wide usage requirements due to ECOs or product phaseouts. This includes both hardware and software.

Property Disposition Center (PDC) or similar function internationally (SFI): A Digital operating group chartered to dispose of and destroy company-owned material and assets.

qualified disposal company: A company that has met the criteria established to dispose of Digital's material and assets.

scrap: Inventory or fixed assets that have been damaged, or deemed to be beyond economic refurbishment or repair; or residual material from the manufacturing process; or unusual material from the disassembly process at a PDC.

scrap construction material: Used construction or building materials that cannot be used by Digital.

```
+---------------------------------------------------------------------+
|                          READER COMMENTS                            |
|                                                                     |
| Your  comments  and suggestions  will help  Standards and Methods   |
| Control improve their services and documents.                       |
+---------------------------------------------------------------------+
```

Did you request this document? _____ If so, did it arrive within a satisfactory period of time? _____ Please comment.

What are your impressions of this document? Consider format, organization, completeness, readability, and illustrations.

————————**FOLD ON THIS LINE**———————————————————— -

Did you find technical or clerical errors in this document? If so, please specify the page number(s) and the error(s).

Are the instructions for the update package clear? _____
Was an index available? _____ If not, is one needed? _____
Do you have other suggestions for improving this document?

The following information is optional:

Name _____ Mailstop _____

Department _____ Node _____

Send your comments to JOKUR::PROJECTS, or fold, staple, and send this page through interoffice mail to:

```
+------------------------------+
|       READERS' COMMENTS      |
| STANDARDS AND METHODS CONTROL |
|           NRO5/I2            |
+------------------------------+
```